



Customer
Service
Administration

UCC UPDATE

www.michigan.gov/sos

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Michigan Department of State

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New UCC system offers convenience and efficiency to customers

In October, Secretary of State Candice S. Miller announced that financial institutions, farmers, law firms, businesses and other customers submitting Uniform Commercial Code (UCC) filings or requesting UCC searches will now obtain results faster under a new system being implemented by the Department of State.

"In today's fast-paced business climate, the department's UCC system plays an important role in making business loans happen with all the security financial institutions need," Secretary Miller said. "Advances in technology now make it possible for the department to respond to filings and searches faster and with greater efficiency than ever before."

Secretary Miller provided an example of how critical UCC is in everyday life. She explained that if farmers need to take out a loan to purchase more equipment, livestock or seeds for crops, or if a business wants to expand operations, the collateral they put up against the loan will be entered onto a financing statement. The bank or loan company processing the loan then files the financing statement with the department's UCC office. If the farm or business decide to apply for other loans through different companies, the financing statement can be reviewed by the new lender to see what collateral has been listed and what other loan agreements have been made.

The new UCC system dramatically cuts turnaround time for processing filings and search requests from two weeks to a matter of a few days using state-of-the-art hardware and software developed by Northrop Grumman Information Technology.

In fiscal year 2001, the UCC Unit processed 185,151 filings, 17,796 tax liens, 82,686 search requests and responded to 29,564 telephone calls.

The new system also transforms the department's current process into a more automated and accurate system. Bar codes are used to separate documents and

prepare them for scanning into electronic images. Information is scanned, stored and retrieved electronically, eliminating the need to prepare paper documents for microfilm. Acknowledgement copies noting receipt of customer filings are generated automatically by the system. Filings will be immediately included in the UCC database used to generate searches for named debtors.

The new UCC system is the first phase of a project designed to meet recent revisions of Article 9 of the UCC statute, which established a new fee structure and changed procedures for submitting filings and search requests. The second phase of the project, which is expected to be ready by the year's end, will allow UCC customers to request debtor-name searches and submit financing statements over the Internet.

UCC law governs commercial transactions, such as sales, negotiable instruments, bank deposits and collections, and investment securities, and has been enacted, in one form or another, in all 50 states. Article 9 requires the Secretary of State to file and process UCC financing statements and search requests related to secured transactions.

Searching in the city

Looking for a method to streamline UCC search requests and reduce costs? The State UCC Office now allows you to target the information you need by requesting searches by city.

Searching common named debtors with a known city location keeps copy costs lower. If you do not specify city, all locations will be given for the debtor name. For example, a request for Green & Blue Landscaping in Port Huron would not include Green & Blue Landscaping in any other city.

New UCC responses defined

The new UCC information management system makes filing and search responses easier for customers to read. Under the new system, each envelope of work received is assigned a unique job number. All the documents for the job are processed together and then returned on electronically-generated forms. The UCC letters used in responding to filing and search responses are:

1. **Cover Sheet** – Includes any special handling instructions, an overview of the envelope contents and the mailing address of the submitter.
2. **Job Receipt** – Lists service charges and credited payments for the submitted filings or searches.
3. **Filing Acknowledgement** – Describes the filing received by document number, filing date, debtor and secured party. Each filing receives a separate acknowledgement.
4. **Filing Rejection Notification** – Explains what information needs to be modified or added if a filing is rejected, before the filing is properly recorded.
5. **Specific Copy Request** – Provides the specific copies requested, by document number.
6. **Specific Copy Request with Certified Seal** – Provides the specific copies requested, by document number, and certifies their existence in the State UCC Office files.
7. **Search Request** – Provides the search results requested. That is, a listing and all copies for a debtor name search, if the listing and copy option was requested.
8. **Search Request with Certified Seal** – Provides the search results requested, and certifies their existence in the State UCC Office files.
9. **Copy Request Exception List** – Identifies documents that are not electronically available and will be delivered to the customer later.
10. **Global Change of Secured Party Acknowledgement** – Lists the initial filing numbers affected by the submitted secured party name/address change.

Navigating UCC web site as easy as 3 clicks

Did you know that Uniform Commercial Code information can be found at the Michigan.gov web site? Improved design features of the web help customers get to their destination quicker. Here's how to find the UCC information you need. Type in the web address www.michigan.gov/sos/ to reach the Secretary of State home page, and then click on the navigational buttons in order:

- "Services to Businesses"
- "Uniform Commercial Code"

The UCC home page is divided into four categories:

1. **UCC Forms** - Allows users to easily print the required UCC forms.
2. **Specific Information** - Provides users with an overview of UCC, the law and fee requirements.
3. **Resources** - Updated archive

references the UCC Update newsletters and other documents.

4. **UCC Filings & Searching** - Provides users with tips and information about requesting filings and searches. "Quick Links" allow users to access the most topical and frequently requested information quickly and easily. The Quick Links located on the UCC home page will link the user to UCC Legislation and the Corporation Division.

Another feature of the UCC web site is its Frequently Asked Questions, also known as FAQ, accessible from under the Secretary of State banner. After clicking on FAQ, choose UCC under FAQ Categories. Basic UCC questions are followed by filing, then searching questions. If you still have questions after surfing the UCC web site, please email the UCC Section at: UCCSection@michigan.gov

Filings are immediately searchable

In the new system, financing statements become part of the searchable UCC database as soon as they are entered into the system. When a customer sends in a filing and search on the same name at the same time, the search is run immediately after the filing.

Search results will show all filings up to the point when the search is completed. Filings processed later that day for the same debtor will not show on the listing because they have not been entered into the system.

Financing statements can be listed on search results but may not be certified. Financing statements will be certified as active when the filing date is included in the certification date of record. For example, if the current certification date of record is October 1, a UCC1 filed on October 2 would be included in the same debtor name search results printed on October 2, but the search results would only be certified through October 1.

Reminder: the name is not the same

Neighbors call him Mike. His mother calls him Michael and his older brother still calls him Mickey. People know that Mike, Michael and Mickey are the same person but the Uniform Commercial Code information system does not.

Customers receive search results for the name as requested. For more details of individual and organizational UCC search logic, consult the UCC Customer Guide at: http://www.michigan.gov/documents/ucc_customer_18790_7.pdf

Greetings, best wishes

UCC welcomes its new unit supervisor, **Castine Reynolds**. **Linda Ames** will retire October 31 with over 34 years of service. We wish Linda many happy and healthy retirement years!

Quick UCC Customer Filing/Searching Checklist

For best results in submitting a filing or search request, please remember to go to the UCC web site at www.michigan.gov/sos and download and print the appropriate National Financing Statement or Michigan Information Request forms.

Submit one copy of each completed form, including proper fees or billing account number, to the State UCC Office. This is a change from the former procedure. The new UCC system automatically generates acknowledgement copies.

Submit filings and searches without paper clips, staples or sticky notes. No return envelopes are necessary.

Contact the State UCC Office with your questions at (517) 322-1144, or email questions to UCCSection@michigan.gov.

Searching related documents

Specific copy and time period searches provides UCC customers another way to limit search results. By checking the related documents box, related financing statements to the specific copy number or time limit range will also be given. These additional options enable searchers to receive only the documents needed.

Secured party reminder

Secured party debtor name corrections must be on a UCC3 Amendment Financing Statement not a UCC5 Correction Statement. Once the amendment is filed in the State UCC Office, future searches on the debtor name will include the filing.

New web access features available soon!

UCC will introduce an exciting new web service before the year's end. UCC customers will be able to submit filings and request debtor name searches online. The web-based program eliminates the manual process of submitting paper forms, providing UCC customers with a secure, quick and easy-to-use method for immediately processing transactions over the Internet. Some highlights include:

- People-friendly screens that assist customers in web-site navigation.
- Billing account and credit card customers will have access.
- Free debtor name index assists customers in requesting precise debtor name.
- Financing statements can be filed 24 hours a day, seven days a week.
- Self-service searches, with copies, are available any time.

Account customers must register to use the web service. To register, simply complete the Internet Access Sign-Up Sheet below and send it to the UCC Section. When your access has been established and when the new system is available, we will notify you by e-mail.

Internet Access Sign Up Sheet

Account Name	Account Number
Contact Person	
Phone Number	Email Address
List authorized submitters from this account:	
Phone	Email Address
Phone	Email Address
Phone	Email Address

Attach additional pages as necessary.

Return To:
Michigan Department of State
Uniform Commercial Code
Lansing, MI 48918-1505

**Michigan Department of State
Uniform Commercial Code
Lansing, MI 48918-1505**



**Send Regular Mail inquiries
and filings to:**

**Michigan Department of State
UCC Section
P.O. Box 30197
Lansing, MI 48909-7697**

Send Express Mail to:

**Michigan Department of State
UCC Section
7064 Crowner Drive
Dimondale, MI 48821**